

**MONTANA PUBLIC SERVICE COMMISSION
UTILITY DIVISION
AGENDA NO. 06-06-13**

Date Published: June 8, 2006
For Work Week Commencing: June 12, 2006
Commission Meeting: June 13, 2006, 9:00 a.m.

General Introduction This agenda is the Commission's Utility Division agenda for the work week designated. In the later part of each week (generally, Thursday by 2:00 p.m.) prior to the work week to which an agenda pertains, the agenda is posted on the public information bulletin board at the Commission offices, deposited in the mail directed to all persons who have properly requested notice by mail, emailed to all persons who have properly requested notice by email, and posted to the Public Service Commission's worldwide web site located at <http://www.psc.mt.gov>.

Place of Meetings All meetings are held at the Commission offices, 1701 Prospect Avenue, Helena, Montana, unless otherwise noted.

Live audio feed Unless otherwise noted on this agenda, all Commission meetings held during regular business hours that are noticed on this agenda will be webcast live via the audio feed link on the PSC website (<http://psc.mt.gov/eDocs/#Calendars>). The audio feeds of meetings are also archived at the same website location.

Inquiries General inquiries concerning this Utility Division agenda and subscribing to notice by mail may be made to Kate Whitney at (406) 444-3056. She may refer inquiries to another person within the agency.

Accommodation for Persons with Disabilities Anyone needing an accommodation for physical, hearing, or sight impairment in order to attend a scheduled meeting should contact the Commission secretary at (406) 444-6199 sufficiently prior to the meeting to allow accommodations to be made.

9:00 a.m. Weekly Scheduling (Commission Conference Room – No Web Audio Feed)

9:30 a.m. Business (Bollinger Room)

Public Comments

Action Items All items identified below are for action at the Commission business meeting.

1. Qwest Corporation N2006.5.73 (Gary)

On May 22, 2006 Qwest Corporation filed for Commission approval a Master Service Agreement (MSA) between Qwest and Home Depot U.S.A., Inc. Qwest is filing the MSA with the Commission for approval pursuant to Section

2.18 (Large Business Customers With a Multi-State Presence) of its Exchange and Network Service Tariff, and pursuant to the Commission's April 16, 2004 Notice of Commission Action (NCA) in Docket N2003.10.149. Also pursuant to the NCA, Qwest filed proprietary cost information. The MSA is the result of negotiations between Home Depot and Qwest for the purchase of Analog PBX service and Direct Inward Dialing (DID) service for the Qwest 14 state incumbent territory, including Montana. The services purchased by Home Depot are available from other competitive carriers in addition to Qwest. Probable Motion: Move to approve the Master Service Agreement between Qwest and Home Depot in Docket N2006.5.73.

2. Qwest Services Corporation N2006.5.74, N2006.5.75 (Gary)

On May 24, 2006 Qwest Service Corporation (Qwest) filed two Petitions for Waiver of Months to Exhaust/Utilization Threshold requirements, as set forth in the FCC's Number Resource Optimization Orders (FCC 00-429 and FCC 01-362).

Glacier Bank Corp. (Western Security Bank) recently acquired additional branch offices in Missoula and Billings and requested additional Direct Inward Dial (DID) numbers from Qwest. Specifically, Glacier Bank requested 200 sequential numbers in Billings and 100 sequential numbers in Missoula. While Qwest has sufficient numbering resources available in both Billings and Missoula to meet most demands, it does not currently have the sequential number blocks to meet the customer request. Therefore, per FCC procedures, Qwest submitted a request for the number resources to the NeuStar Numbering Pooling Administrator. Under the FCC requirements Qwest needed to show it was utilizing at least 75% of its number resources in Billings and in Missoula and that it would exhaust the remaining resources within 6 months. Qwest meets or slightly exceeds the utilization threshold of 75% in both Billings and Missoula. However, it does not meet the Months to Exhaust 6 month criteria in either location. Qwest was denied the request for additional numbering resources in Billings and Missoula. Therefore, under this normal number assignment process, Qwest would not be able to fulfill the numbering requests of Glacier Bank Corp.

Per the FCC "safety valve" process, Qwest has filed petitions asking this Commission to approve Months to Exhaust/Utilization Requirement waivers for Glacier Bank in Billings and Missoula and to direct the Pooling Administrator to assign the additional numbers. Per prior Commission staff agreement with Qwest, when making safety valve filings, Qwest is required to provide certain additional information. Qwest did provide this information.

Staff recommendation is to approve the waivers. Probable Motion: Move to approve the Qwest petitions for waivers of months to exhaust/utilization threshold requirements in dockets N2006.5.74 and N2006.5.75. and direct NEUSTAR, the number pooling administrator, to assign to Qwest one new thousands block of numbers in Qwest's Billings rate center and one new thousand block of numbers in the Missoula rate center.

3. Sprint Communications N2006.5.78 (Scott)

On May 25, 2006, Sprint filed for changes in its Montana P.S.C. Price List No. 1. In this filing Sprint is proposing to update and clarify the terms and conditions for prepaid phone card service, restructure the rate section for prepaid phone cards, and introduce several new prepaid phone cards. Probable Motion: Approve Sprint's changes in the Montana P.S.C. Price List No. 1 in Docket N2006.5.78.

4. Citizens Telecommunications N2006.5.79 (Scott)

On May 25, 2006, Citizens filed Advice Letter No. MT-06-05, Frontier Small Business Advantage new service. In this filing Citizens is proposing to offer business customers a variety of bundled packages to choose from. The Frontier Small Business Advantage package will be offered on a contractual basis over a two-year term. The customer may within 30 days of activating the service cancel their contract without incurring an early termination liability charge if they are not satisfied with the service. Citizens is requesting that this filing become effective on July 10, 2006. Probable Motion: Approve Citizens' Advice Letter No. MT-06-05 in Docket N2006.5.79.

5. Approval of Commission Minutes (Kate)

Approval of the Commission Minutes for the week of June 5, 2006.

Work Sessions All items identified below are for Commission discussion or action on the day designated.

1. NorthWestern Energy – 2006 general rate case filing – Discuss and act on NWE request to bifurcate upcoming proceeding into revenue requirements phase to be filed by 9/30/06 and an allocated cost of service/rate design phase to be filed by 3/31/07. (6/13/06)

2. N2006.5.69 – Electric City Power, Incorporated – Application for license to supply electricity – Discuss/act on application. (6/13/06)
3. D2003.7.86, D2004.6.96, D2005.6.103 – NorthWestern Energy – Three consolidated qualifying facility avoided cost dockets – Discussion, direction, action on CELP motion to compel NWE discovery responses, other matters as necessary. (6/13/06)
4. D2005.12.177 – Energy West Montana – Gas USB review – Discussion, direction, action on MCC motion for temporary suspension, other matters as necessary. (6/13/06)
5. D2006.2.21 – NorthWestern Energy – 2006 initial, abbreviated natural gas procurement plan – Placeholder – Further discussion, direction, action on PSC comments to NWE. (6/13/06)

Other Meetings

Weekly Scheduling – Will be held at 9:00 a.m. on the day of the Commission Meeting

Notice Items All items identified below are noticed for public participation purposes. Unless otherwise stated in the text of the notice, the items will be action items on the next following agenda or a subsequent agenda and participation may be had by submitting written comments to the Public Service Commission, 1701 Prospect Avenue, P.O. Box 202601, Helena, Montana, 59620-2601, within 5 calendar days following publication of this agenda. Public comments on a noticed matter may also be submitted within the required time through the PSC's web-based comment form at <http://psc.mt.gov/Consumers/comments>. Comments should reference the docket number of the matter.

1. NorthWestern Energy D2002.6.64 (Will)

On May 19, 2005, NorthWestern Energy filed to adjust the BPA Residential Exchange Credit for residential and irrigation customers pursuant to a tracking mechanism approved by the Commission in 2002 (D2002.6.64). The rate credit amount is derived from the amount of monetary benefits NWE receives on behalf of its residential and small farm customers from the Bonneville Power Administration under the terms of a settlement of the Residential Exchange provisions of the Northwest Power Act. The proposed

adjustment would reduce the credit from the current (\$0.001550)/kwh to (\$0.001511)/kwh.

2. Qwest Corporation N2006.6.81 (Gary)

On June 2, 2006 Qwest Services Corporation filed Tariff Transmittal 06-09, Residence and Business Customer Incentive Programs. Qwest's current Residence and Business Competitive Response tariffs, approved in Docket No. D2004.8.135, Order No. 6615a, dated October 4, 2005 sunset after one year. Order No. 6615a stated that "Qwest has the option of filing, no later than 90 days prior to the sunset date, to extend the tariffs beyond the sunset date." Qwest states this filing offers tariffs which "simplify and consolidate" the current Residence and Business Competitive Response, Competitive Inquiry, and Product Save offer into a single program which is currently offered in 12 of Qwest's other jurisdictions. In addition, Qwest is requesting that it no longer be required to file with the Commission the monthly monitoring reports required in Order No. 6615a. Qwest is requesting an October 4, 2006 effective date.

Protective Orders – Notice Items The Commission has received the following requests for protective order pursuant to ARM 38.2.5007. The Commission will rule on the requests no earlier than 10 days after the publication date of this agenda. Comments on the requests may be submitted at any time prior to ruling. Any person wanting a copy of a protective order request should contact the Commission at (406) 444-6199.

Protective Orders – Information Items The Commission has issued the following protective orders. These orders may be challenged pursuant to ARM 38.2.5008. Copies of these orders may be obtained by calling the Commission at (406) 444-6199.

Information Items All items identified below are for information only.

New Filings Received in Past Week

D2006.5.58 – NorthWestern Energy – Application for Approval of Monthly Gas Cost Tracker True-Up, Projected Gas Costs, and Gas Transportation Balance

D2006.5.66 – NorthWestern Energy – Application for Approval of Electric Supply Deferred Cost Account Balance and Projected Electric Supply Cost

D2006.6.80 – Energy West – Application to Make Interim Adjustment Final and to Reconcile the Gas Cost Tracking Mechanism for the Period 5/1/03 through 3/31/06

N2006.6.81 – Qwest Corporation – Tariff Transmittal 06-09, Residence and Business Customer Incentive Program

D2006.6.82 – NorthWestern Energy and Babcock & Brown Infrastructure Limited, BBI US Holdings Pty Ltd, BBI Holdings II Corp. and BBI Glacier Corp. - Joint Application for Authorization for Babcock & Brown Infrastructure Limited's Acquisition of All of the Common Stock of NorthWestern Energy, and the Related Assumption of Its Debt, under an Agreement and Plan of Merger